

PRESS RELEASE

DEPARTMENT OF PUBLIC WORKS

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Ordinance Would Allow Funding of Federally-Mandated Agreement on Sewage Overflows

Annual sewer rate increases for 2009 through 2013 lower than originally projected

INDIANAPOLIS – Mayor Greg Ballard has asked the City-County Council to introduce an ordinance proposal tonight calling for sanitary sewer rates to increase by 10.75 percent annually from 2009 through 2013 to fund the city's Clean Streams-Healthy Neighborhoods program. This bi-partisan ordinance proposal is being sponsored by Councillor Ben Hunter (R) and Councillor Mary Moriarty Adams (D).

The majority of the annual increases is needed for Indianapolis to remain in compliance with a federally-mandated plan to reduce raw sewage overflows. The original \$1.7 billion 20-year plan is required under a consent decree with the U.S. Environmental Protection Agency (EPA) and the Indiana Department of Environmental Management (IDEM). The agreement, implemented in 2006, commits the city to substantially-increased spending through 2025.

In addition to reducing raw sewage overflows, the city's Clean Streams-Healthy Neighborhoods program also has a \$1.8 billion capital program over the next 20 years to rehabilitate aging sanitary sewers, increase sewer and wastewater treatment plant capacity and bring sewers to thousands of homes in neighborhoods currently on septic systems.

The Indianapolis Department of Public Works (DPW) recently gathered input on potential sewer rate increases through a series of community meetings, as well as from the local business community, environmental experts and business advocacy groups.

"We have been out explaining to various stakeholders what the consent decree means to our citizenry and what steps we are taking to ensure the long-term health and livability of our community," said Mayor Ballard. "Now I'm asking the City-County Council to partner with me as the city continues to tackle the tremendous funding challenge of meeting our consent decree requirements."

Over the past year, Mayor Ballard has challenged DPW to re-evaluate the city's 20-year plan through a value engineering process. Value engineering encourages the selection of the most effective and fiscally responsible design and construction methods. As a result of these efforts, as well as innovative financing techniques, the proposed rate increases are significantly lower than what could have been required.

"Value engineering is critical to finding cost savings on these projects," Mayor Ballard said. "When I took office, costs on the consent decree had escalated by \$300 million, which took the total Clean Streams-Healthy Neighborhoods program cost to \$3.8 billion. We were able to identify savings to bring the overall program cost down to \$3.3 billion, while staying ahead of schedule on the implementation of the consent decree program."

DPW value engineered the cost of the sanitary sewer capital improvement projects for 2009 through 2013. The identified savings and innovative financing techniques allowed the city to drive down the amount of the annual sewer

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rate increase to nearly one-half of what it could have been — from approximately 20 percent annually as originally anticipated to the 10.75 percent now proposed in the ordinance. The value engineering process also enabled DPW to re-sequence the schedule of projects to capture more of the sewage entering local waterways quicker than originally anticipated.

“GREENING” THE PLAN

The city is incorporating sustainable, “green” design elements into planned projects, which often are more cost effective than traditional methods. Plans include planting trees, rain gardens and bio-swales, building green roofs and installing porous pavement.

“Sustainability is not only good for the environment; it’s good for the pocketbook,” said Mayor Ballard. “Green infrastructure helps keep stormwater out of the city’s overburdened combined sewer system, which in turn helps reduce raw sewage overflows in local waterways and reduces costs for ratepayers.”

In areas where sanitary and storm sewers are separated, trees and other vegetation slow and reduce the amount of stormwater entering the drainage system, also assisting with flood control in streets and yards. Additional green and sustainable concepts being integrated into the city’s programs include reducing the amount of materials used, reducing disruption to existing infrastructure and reducing the use of petroleum-based products.

AN OVERVIEW OF THE FIVE-YEAR PLAN

Indianapolis’ \$825 million plan for 2009 through 2013 includes \$750 million in sewage overflow reduction and sanitary sewer improvement projects and \$75 million in stormwater improvement projects.

Key sanitary sewer projects and highlights for 2009 through 2013 include:

- An aggressive plan to bring sewers to approximately 7,000 homes on septic systems
- Beginning engineering planning and design of the Fall Creek and White River tunnel storage and conveyance system
- Beginning engineering planning of the Pleasant Run overflow collector system
- Beginning construction of the Deep Rock Tunnel Connector project, formerly known as the Belmont-Southport Interplant Connect
- Begin constructing the Belmont North Parallel Interceptor
- Constructing wet weather treatment improvements at the Belmont Advanced Wastewater Treatment Plant to increase capacity to 300 million gallons per day
- Beginning construction of wet weather treatment improvements at the Southport Advanced Wastewater Treatment Plant to increase capacity to 300 million gallons per day
- Upgrading Lift Station 507 near Broad Ripple
- Treating an additional 1.42 billion gallons of raw sewage by the end of 2013

Stormwater rates will not increase in 2009; however, projects to reduce drainage and flooding problems will continue. These projects include:

- Drainage improvements along Kessler Boulevard that will benefit residents as well as thousands of commuters
- Improvements to the Eagle Creek Dam
- Continuation of the Indianapolis North White River Flood Damage Reduction project
- Drainage improvements in the Frog Hollow neighborhood that will divert about 80 percent of water away from the neighborhood during the majority of floods

The City-County Council is expected to vote on this ordinance proposal within the next few weeks. The full Council last approved a sewer rate increase in 2005 for the years 2006 through 2008. If approved, new sanitary sewer rates will go into effect on May 1, 2009.